

**FRAMEWORK FOR AGREEMENT
ORPHAN SHARE FUNDING AND REMEDY IMPLEMENTATION:
ANACONDA COPPER MINE, LYON COUNTY, NEVADA**

Atlantic Richfield Company (ARC) and the State of Nevada have discussed the Nevada Division of Environmental Protection (NDEP) assuming the lead oversight role for the closure and reclamation of the Anaconda Copper Mine, Lyon County, Nevada (the Site). NDEP-lead would be an alternative to EPA's formal proposal to place the Site on the CERCLA National Priorities List (NPL) and proceed with an EPA-lead, federally-funded CERCLA response action. ARC and NDEP are working to negotiate an agreement that would effectuate NDEP's lead oversight role, defer NPL listing, and establish a framework under which ARC would perform and fund a substantial portion of the necessary response action, including the OU-8 remedy, among other things. The key proposed terms of such an agreement are set forth below.

I. NDEP LEAD

- a. **Deferral Agreement:** Consistent with EPA's *"Guidance on Deferral of NPL Listing Determinations While States Oversee Response Actions"* (OSWER Dir. 9375.6-11) (the "Deferral Guidance"), NDEP agrees to enter into a binding Deferral Agreement with EPA (on behalf of the United States, including BLM) to defer NPL listing, assign lead oversight authority for a CERCLA-protective remedy to NDEP, and define the limited conditions under which EPA could terminate the agreement or separately require further response actions. ARC will work separately with EPA to negotiate termination of the existing EPA administrative orders requiring ARC to perform response actions at the site, with such termination to be concurrent with the effective date of the Interim Consent Order described in Paragraph III.a, below.

i. EPA Participation

- a. **During RI/FS:** ARC will provide EPA with copies of each significant RI/FS work plan and report in accordance with a plan and schedule approved by NDEP. EPA will be allowed 30 days to provide comments to NDEP. NDEP will consider EPA's comments in good faith, but EPA's concurrence will not be required for NDEP to approve a document. EPA will not have independent authority to reject or require modification of a work plan or report or to reject or direct remedy selection.
- b. **EPA Participation Through Remedy Construction:** During construction of the selected remedy, ARC, NDEP and EPA will conduct quarterly

conference calls to provide updates on the status and progression of the work on-site. ARC will prepare an annual summary report to be provided to NDEP and EPA, in addition to other reporting required to be provided to NDEP.

- c. **EPA Participation After Remedy Construction:** Once NDEP certifies that remedy construction has been successfully completed and acknowledges that the Site has entered a phase of operations and maintenance, NDEP and EPA will conduct annual meetings to summarize the status and review conditions at the Site for the first 5 years of post-remedy operations and maintenance. After the first 5 years, such reviews will coincide with the 5-year review process.

ii. **Community Participation**

- a. **Community Participation Plan:** Within 90 days after final execution of the Deferral Agreement, NDEP will prepare a draft Community Involvement and Participation Plan ("Plan") for a 30 day public review and comment period. NDEP will prepare a final Plan 45 days after receiving public review and comment. The Plan will be designed to satisfy the requirements of the Deferral Guidance, NDEP's regulations, and the unique needs of the Site and surrounding community.
- b. **Tribal Assistance:** In lieu of a federally funded technical assistance grant or similar funding mechanism, ARC will provide the Yerington Paiute Tribe ("YPT") with reasonable financial assistance, in an amount not to exceed \$100,000 dollars, to support and facilitate interpretation of technical information and participation in remedy selection until issuance of a future Record of Decision that includes the OU-1 remedy.

- iii. **Covenants Not to Sue:** As part of the Interim Consent Order, NDEP will agree that ARC's participation in the site-wide remedial action in accordance with the selected remedy and NDEP approved work plans, including but not limited to OU-8, OU-4 and OU-1, will not result in greater liability than otherwise can be established based on ARC's past operations at the Site (*i.e.*, ARC will not incur liability with respect to OU-8 as a consequence of performing OU-8 response actions), nor will it waive any defenses to joint and several liability, including divisibility of harm as to any OU. As part of the Consent Decree governing remedy implementation, NDEP will grant a covenant to not require response actions inconsistent with selected remedial actions, unless the selected remedy fails to achieve performance standards in the Record of Decision or approved

remedial design, or new information shows that the remedy is not protective of human health or the environment.

- a. **NDEP Covenants:** At selection of the final remedy, ARC and NDEP will terminate the then current Interim Consent Order. Prior to implementation of a final, site-wide remedy, NDEP and ARC anticipate executing a Consent Decree providing for remedial design and remedial action, including covenants for the work completed and covenants conditional upon satisfactory completion of the remedy.
 - b. **EPA Covenants:** The Deferral Agreement will provide that upon satisfactory completion of the remedial action (*i.e.*, upon satisfaction of pre-defined performance standards), EPA will become a signatory to the above referenced Consent Decree and provide covenants not to sue generally consistent with those set forth in EPA's model RD/RA consent decree.
- b. **Reservation of ARC rights:** As set forth in Paragraph II.a, ARC will assume financial responsibility for the majority of the costs associated with remedy implementation, including the costs associated with OU-8. Notwithstanding this assumption, ARC reserves its right to assert divisibility of harm and allocation of costs in the event of later termination of the Deferral Agreement, NPL listing or EPA overfiling. In addition to the Deferral Agreement, this term will be incorporated in the Interim Consent Order for RI/FS completion and ultimately in the Consent Decree after remedy selection.

II. ALLOCATION OF COSTS

- a. **ARC Assumes 92.2% of Orphan Share Direct Costs for Remedy Construction:** ARC will be responsible for payment of 92.2% of the third-party contractor costs charged for completing the RI/FS and for implementation and construction of the final remedy for OU-8 selected by NDEP, and NDEP will be responsible for payment of 7.8% of these costs. The costs addressed and allocated by this paragraph shall not include (i) any internal costs (e.g., personnel costs, oversight costs, indirect costs, overhead) incurred by ARC or NDEP (NDEP oversight costs are addressed separately in Paragraph II.d) or (ii) any costs of any type incurred by any party prior to the effective date of this Framework Agreement. With respect to OU-8, ARC's performance and funding obligations will terminate following certification of completion of construction of the remedial action described in the Proposed Plan and achievement of performance objectives for the OU-8 remedy included in the approved remedial design, as further described in Paragraph II.b, or as otherwise provided in Paragraph II.b.

- b. **OU-8 Operations and Maintenance:** Upon termination of obligations to operate and maintain the OU-8 FMS system as required by EPA orders, ARC will continue to fund and perform operation and maintenance of OU-8 response actions through implementation and construction of the final remedy for OU-8 selected by NDEP. Following NDEP's certification of construction completion of the OU-8 remedy, ARC's operations and maintenance obligations with respect the OU-8 FMS system, including construction or replacement of any fluid management ponds, daily operation of any fluid management system, and any associated bird mitigation, will terminate upon the earliest of the following conditions to occur: 1) as to each OU-8 heap leach pad and its associated drain-down evaporation pond(s), when the mean annual average drain-down fluid flow rate entering that/those pond(s), based on four quarters of monitoring results, is less than or equal to 1.5 gallons per minute (gpm); or 2) as to the entire OU-8 FMS system, (i) when NDEP has concurred that the OU-8 remedy has achieved performance objectives in the approved remedial design, or (ii) after 10 years. Each heap leach pad drain-down evaporation pond will be constructed to facilitate management of accumulated solids and equipped with appropriate flow and level measurement devices. Each OU-8 heap leach pad will have a least one pond facility associated with it to maximize passive operation to the extent possible. NDEP or, by agreement with NDEP, a future mining operator, will assume the operations and maintenance and associated costs thereof for the OU-8 remedy at that time.
- c. **EPA Costs:** Without definitive resolution or assignment of the total orphan share, in the Deferral Agreement, EPA must recognize that some or all of the impact associated with Arimetco's operations are divisible from the impact associated with ARC's operations. In recognition of the value to EPA from avoidance of direct costs by ARC's assumption of Direct Costs described above, ARC will negotiate an agreement with EPA to limit reimbursement of costs from ARC as follows:
- i. **Past Costs:** EPA will resolve existing past response costs claims (through calendar year 2016) for OUs 1-7 in an amount acceptable to ARC in its reasonable discretion. Those costs will be paid by ARC after the execution of the Deferral Agreement pursuant to a separate AOC between ARC and EPA. EPA will release all claims for past and future response costs for OU-8.
 - ii. **Future Costs:** ARC will agree to pay EPA's future response costs (post-2016) for oversight of OUs 1-7 response actions, if any, up to a maximum annual amount acceptable to ARC in its reasonable discretion.
- d. **NDEP Costs:** As part of the Interim Consent Order and any subsequent agreement, ARC

will agree to provide reimbursement for NDEP regulatory oversight costs as follows:

- i. As part of the Interim Consent Order, ARC agrees to advance the Division one year of estimated oversight costs, which funds shall be maintained by NDEP in a dedicated account or other accounting mechanism that ensures the funds may only be used by NDEP for payment of Site-related costs;
- ii. On a biennial basis, NDEP will provide ARC an estimated budget for NDEP oversight costs consistent with the legislatively approved budget;
- iii. On a quarterly basis, NDEP will provide ARC an invoice, summary and supporting information for NDEP oversight costs;
- iv. ARC will provide payment to NDEP for costs within 45 days of receiving the invoice and supporting information, unless ARC chooses to contest a payment, and initiate Dispute Resolution in accordance with procedures in the Interim Consent Order;
- v. The balance of any funds paid by ARC under this paragraph remaining in the dedicated account or other accounting mechanism described in Paragraph II.d.i at the time the Interim Consent Order is terminated shall be credited against any funds later owed by ARC to NDEP for regulatory oversight costs pursuant to any subsequent agreement.
- vi. **Retention for Site-wide Operations and Maintenance:** Each year, ARC will retain 10% of the total invoiced and payable costs for Nevada state personnel owed to NDEP. As discussed further in Paragraph IV.a below, NDEP will assume the obligations for long-term operations and maintenance of OU-8 at the completion of remedy implementation and after the conditions in Paragraph II.b are met. Within 30 days of NDEP's assumption of operations and maintenance for OU-8, ARC will submit the retained funds to NDEP.

III. COMPREHENSIVE SITE WIDE REMEDY

- a. **Interim Consent Order:** ARC and NDEP will work in good faith to complete and execute an Interim Consent Order within 180 days of final execution of the Deferral Agreement between EPA and NDEP, which shall constitute an administrative settlement for purposes of CERCLA Section 113(f)(2). In the event that EPA requires prior execution of the Interim Consent Order as a precondition for the Deferral Agreement, NDEP shall, concurrently with the Interim Consent Order, enter into a Memorandum of Understanding with EPA providing for the subsequent execution of the Deferral Agreement. As stated in Section VI below, any obligations of ARC under the Interim Consent Order shall, in such event, be contingent upon the final execution of the Deferral Agreement. This Interim Consent Order will prescribe the process, schedule,

deliverables and assurances for completion of an RI/FS and selection of a final remedy for some subset of the on-site OUs, including, at a minimum, on-site groundwater and OU-8, and possibly for other adjacent operable units or portions thereof, the remediation of which can cost-effectively proceed in conjunction with the Priority 1 OUs (as defined in Paragraph III.b.i), consistent with the terms and assumptions provided below. NDEP and ARC will confer in good faith during negotiation of the Interim Consent Order to define a mutually acceptable scope and sequencing for the RI/FS and selection of the preferred alternative for on-site remedial action. The Interim Consent Order will also provide for focused interim monitoring and reporting requirements consistent with an NDEP approved work plan and transition of FMS operations and maintenance obligations to NDEP once the conditions listed in Paragraph II.b have been met. ARC will continue to manage the FMS system as part of its ongoing RI/FS activities (excluding FMS repairs exceeding \$100,000) until the conditions listed in Paragraph II.b have been met, after which NDEP or a future mining operator will assume responsibility for the FMS and any associated draindown fluid management costs, including bird mitigation. Costs for any FMS repairs that exceed \$100,000 and that are required prior to the commencement of OU-8 remedy construction shall be allocated between ARC and NDEP in the same manner as OU-8 remedy construction costs, as provided in Paragraph II.a. For purposes of this paragraph, "repairs" refers only to work required to repair or replace existing FMS components as needed to ensure the continuing functioning of the FMS; whereas other "interim measures" approved by NDEP to prolong the life of, and maintain sufficient capacity in, the FMS (including construction of additional pond storage, if needed) until a site-wide remedy is constructed shall be performed and paid for as set forth in Paragraph III.f below. In addition, ARC will not be responsible for any additional future remedial action, pond construction, etc. that NDEP or other entities may require after the conditions in Paragraph II.b have been met.

- b. **Implementation of NDEP mine closure and reclamation regulations:** It is anticipated that the Nevada Statutes and regulations applicable to the closure and reclamation of mining facilities (including NRS 445A.300-NRS 445A.730 and NRS 519A.010) and the NDEP regulations implementing those statutes (including NAC 445A.350-NAC 445A.447 and NAC 519A.010 - NAC 519A.415) will provide the overall framework governing the site-wide surface remedy. With regard to the management and remediation of the surface, provided that feasibility studies confirm overall adequate protectiveness, ARC and NDEP agree to the following:

- i. Subject to a final construction design developed by ARC and approved by NDEP to implement the approved remedy, and to the extent practicable, the

approved remedial action may proceed on a site-wide, holistic basis, rather than as one operable unit at a time, to take advantage of the efficiencies derived from fewer mobilizations and to maximize the utilization of on-site materials for filling, contouring, and capping, if appropriate as set forth in Paragraph III.b.iii. To focus attention and effort around the most critical remedial actions, Site OUs have been divided into Priority 1 OUs (1, 3, 4a, 7, and 8) and Priority 2 OUs (2, 4b, 5, and 6), with the focus on the initial phase of Site work being on completing the RI/FS for the Priority 1 OUs and beginning the remedial action for those OUs. Work on individual OUs within Priority 1 will either occur on a holistic basis across all of the OUs or be sequenced so that field implementation can proceed regularly and without interruption once remedy implementation begins. ARC will propose a schedule for the Priority 2 OUs RI/FS investigations, after work on the Priority 1 OUs remedy is underway. NDEP will review the schedule proposed by ARC and provide approval or approval with modification in accordance with the terms of the Interim Consent Order;

- ii. ARC will propose to revise groundwater monitoring requirements as part of the Interim Consent Order work plan review and approval process. Monitoring requirements will be fit for purpose and built around the following 3 general timeframes, with item 1) "Pre-Remedy Implementation Monitoring" below being defined and implemented as part of the Interim AOC negotiations:
 - a. Pre-Remedy Implementation Monitoring
 - b. Monitoring During Remedy Implementation
 - c. Post-remedy Monitoring
- iii. Subject to feasibility study evaluations, remedy selection and approval of remedial design, NDEP will authorize the use of existing on-site waste rock and tailings (including sulfide tailings and vat leach tailings (VLT)) for fill and cover materials. NDEP and ARC will work in good faith with the Site landowners in an effort to secure the availability of a critical amount of on-site material and repository capacity.
- iv. NDEP agrees to act as the government applicant for a free-use permit from the Bureau of Land Management (BLM) for off-site fill material from adjacent and nearby BLM lands. ARC will pay all costs associated with the application, permitting process, and performance guarantees. Additionally, ARC will indemnify NDEP for any claims or losses associated with its status as applicant and permittee.
- v. Subject to applicable regulatory requirements, TENORM and other low level radioactive materials requiring active remediation may be managed and disposed of in-place or in on-site repositories;

- vi. Subject to the remedy selection process, applicable water pollution control regulations, and appropriate access restrictions, NDEP will not require reclamation or active management of water in the pit. Subject to applicable water pollution control regulations, diverted stormwater and/or groundwater (if any) may be discharged to the pit or the Wabuska Drain;
 - vii. To the extent reasonably necessary to progress the remedy in a timely and efficient manner, and after reasonable efforts by ARC to secure access, NDEP will assist ARC in gaining access to off-site and on-site property for investigation and remedy implementation, including siting of remedial action features and placement of material.
- c. **Assurance of CERCLA protectiveness:** Consistent with the *Deferral Guidance*, selection and implementation of a final remedy that will provide an adequate level of CERCLA protectiveness will be the guiding principle for remedy decisions at the Site. With regard to the management and remediation of the Site, provided that feasibility studies accepted by NDEP confirm overall adequate protectiveness, ARC and NDEP agree to the following:
- i. As part of the feasibility study process, ARC will propose a remedial action for the Site that:
 - a. Focuses on source control and limited, if any, active groundwater remediation on-site;
 - b. Does not require active groundwater remediation off-site unless and until: (a) pre-defined monitoring metrics demonstrate a lack of plume stability/attenuation or exposure to off-site receptors, (b) the pre-selected contingent remedy elements described in Section III.d below are shown to be ineffective, and (c) such treatment is determined to be technically practicable and cost-effective. NDEP agrees to consider this proposed remedial action as part of the feasibility study and the remedy selection process and implementation sequence described in Paragraph III.c.vi below.
 - ii. As part of the remedial design process, ARC will propose a set of criteria and a monitoring protocol for determining eligibility under NAC 445A.22725 for an exemption/exception to NDEP's requirements for corrective action for groundwater impacted at and by the Site (OU1). NDEP agrees to consider this protocol as part of the remedial design process for groundwater.
 - iii. ARC will document reasonable steps to eliminate any remaining domestic drinking water wells within plume boundary. Upon completion of those efforts, and provided applicable regulations and specific conditions warrant, the State

will assist ARC in obtaining domestic well abandonment for any remaining hold-out / opt-out wells / well owners within plume boundary that cannot be eliminated, as permitted by applicable state and federal laws.;

- iv. To the extent that a formal risk assessment for OU-1 RI is needed, or for other OUs, such risk assessment will account for and consider the reasonably anticipated future land uses, existing and planned institutional controls and well restrictions;
- v. As part of the feasibility study process for groundwater, ARC will propose remedial actions that include relocation or elimination of the Weed Heights sewage ponds. If the selected remedial action includes elimination or relocation of the Weed Heights sewage ponds, NDEP will support and help facilitate efforts to secure state and / or federal grants or other funds to relocate the Weed Heights sewage ponds. NDEP agrees to participate in negotiations with Weed Heights residents and/or landowners, as needed to eliminate/replace the system.
- vi. **Remedy Selection and Implementation Process for Groundwater.** The Interim Consent Order and the subsequent Consent Decrees (or other enforceable instruments) governing groundwater remedy implementation will sequence remedy selection and implementation of response actions as follows.
 - a. ARC will first complete a feasibility study, including a human health risk assessment, for on-site groundwater (within the former Anaconda mine property boundary), including:
 - I. A proposal for a performance evaluation period, performance monitoring plan, and performance evaluation criteria (“on-site groundwater remedy performance monitoring protocol”);
 - II. Description and analysis of proposed contingent remedy elements (see Paragraph III.d below); and
 - III. A proposal for criteria that would trigger implementation of contingent remedy elements.
 - b. NDEP will select a remedy for on-site groundwater, including the on-site groundwater remedy performance monitoring protocol, specification of any selected contingency remedy elements, and criteria and timing for implementation of any selected contingent remedy elements.
 - c. NDEP and ARC will enter into a Consent Decree governing on-site groundwater remedy implementation.
 - d. ARC will implement the approved remedy for on-site groundwater, the on-site groundwater remedy performance monitoring protocol, and, if required, contingent remedy elements.

- e. NDEP will not commence remedy selection and remedy implementation for off-site groundwater until after completion of the on-site groundwater remedy performance evaluation period. At that time, ARC will complete a feasibility study, including human health risk assessment, for off-site groundwater (outside the former Anaconda mine property boundary), including an evaluation of the on-site groundwater remedy performance and an evaluation of an NAC 445A.22725 exemption from on-site and off-site groundwater corrective action. The feasibility study for off-site groundwater will include the same elements as are set forth above for in Paragraph III.c.vi.a the on-site feasibility study, including an “off-site groundwater remedy performance monitoring protocol.”
 - f. NDEP will select a remedy for off-site groundwater, including the off-site groundwater remedy performance monitoring protocol, specification of any selected off-site contingency remedy elements, and criteria and timing for implementation of any selected off-site contingent remedy elements, and it will include in its selection process an evaluation of an NAC 445A.22725 exemption from on-site and off-site groundwater corrective action. Before requiring off-site groundwater extraction and/or treatment, NDEP will need to confirm that: (i) the performance criteria set forth in the off-site groundwater remedy performance monitoring protocol are not being met; (ii) the selected off-site contingency remedy elements are not effective in achieving the performance criteria; (iii) exposure risk for off-site groundwater receptors fails to satisfy the factors set forth in 40 C.F.R. § 300.430(e)(2)(i)(A)(1),(2); and (iv) the eligibility criteria for an NAC 445A.22725 exemption are not satisfied.
 - g. NDEP and ARC will amend the Consent Decree governing remedy implementation.
 - h. ARC will implement the approved remedy for off-site groundwater.
- d. **Contingent Remedy Elements:** As part of the feasibility study process for groundwater, NDEP and ARC agree to evaluate the types, sequence, and timing of additional (“contingent”) response actions that may be required if performance standards are not met, or if the plume is determined to be expanding and resulting in exposure to human receptors or discharge to surface water (similar to Rio Tinto site “Water Quality Compliance Protocol” and “Ambient Monitoring Protocol”). These may include, subject to an evaluation of water rights and hydrological considerations:

- i. Additional source control measures
 - ii. Off-site irrigation improvements
 - iii. Move or eliminate off-site irrigation wells and/or reduce pumping capacities/rates
 - iv. Ditch lining
 - v. Municipal water service extension or well-head treatment
 - vi. On-site groundwater extraction/treatment
- e. **Contingent Remedy Evaluations:** Remedy effectiveness and need for contingencies evaluated on 5-year interval
- f. **FMS:** If necessary to prevent releases of hazardous substances from Arimetco's heap leach and fluid management system, ARC may implement interim measures approved by NDEP to prolong the life of, and maintain sufficient capacity in, the FMS (including construction of additional pond storage, if needed) until a site-wide remedy is constructed or until ARC can complete the OU8 remedy and meet the conditions in Paragraph II.b., after which NDEP would operate the FMS system. If these interim measures are also part of the final remedy approved by NDEP for OU-8, as specified in the Proposed Plan, ROD, or approved remedial design, ARC will fund 92.2 % of the capital construction costs, and NDEP will fund 7.8% of these costs. If these interim measures are not considered part of the final remedy approved by NDEP for OU-8, ARC will fund 100% of the capital construction costs. As appropriate, other interim actions consistent with a final remedy could also proceed while the final remedy selection and design processes are underway.

IV. POST REMEDY CONSTRUCTION LONG TERM OPERATIONS AND MAINTENANCE

- a. **Operations and Maintenance Obligations.** At the completion of remedy implementation and after the conditions in Paragraph II.b are met, NDEP will assume the direct control of and the obligation to perform the operations and maintenance of OU-8. During development of the Consent Decree that governs remedy implementation, NDEP agrees to consider, review and discuss a proposal from ARC which describes the timing, funding and prerequisites for the transfer of OM&M responsibility for OUs 1-7 from ARC to NDEP. NDEP will pay or assure payment for all future operation and maintenance of the OU-8 remedy, including fluid management. For OUs 1-7, ARC will pay or assure payment for all future operation and maintenance in accordance with the applicable terms set forth in the Consent Decree.
- b. **Release of Retained Funds.** Assuming that the OU-8 remedial action is completed in a

manner consistent with the terms set forth in this Framework for Agreement, as an NDEP lead site, following the formal transition of operations from ARC to NDEP for OU-8, ARC will release to NDEP the retained costs, excluding any accrued interest, described in Paragraph II.d.v above.

V. PRESERVATION OF FUTURE MINING OPPORTUNITIES


- a. **Coordination of Permitting.** If SPS or other entity seeks a permit from the NDEP Bureau of Mining Regulation and Reclamation (BMRR), ARC will be given an opportunity to comment on the proposed permit in accordance with NDEP Notice of Proposed Action and Permit Appeal procedures. Following remedy construction, NDEP agrees to negotiate an Environmental Covenant with then existing landowners under NRS 445D that will include provision for preventing land uses that: disrupt or would be inconsistent with construction of the remedy, disturb any partially completed remedy element, or disturb completed remedy elements, unless the land owner notifies ARC and presents a plan for NDEP review and approval which specifically addresses how the proposed land use can proceed while:
 - i. ensuring adequate CERCLA protectiveness of the selected final remedy for the Site;
 - ii. allowing for simultaneous performance of response actions and the proposed land use;
 - iii. providing a plan for the restoration or functional replacement of any disturbed element of the selected final remedy; and
 - iv. providing adequate financial assurance for the above in addition to the reclamation otherwise required by BMRR regulations.
- b. **Acknowledgment Marginal Additional Costs not ARC Responsibility.** NDEP acknowledges that any additional / marginal costs of remedy construction necessitated by accommodating any future mining operation are not the responsibility of ARC. ARC shall not be required to modify the approved remedy to accommodate mining operations if such modifications would result in a material increase in the cost of the remedy, and NDEP agrees that it will not seek to enforce such performance or payment of or recover any such costs from ARC.
- c. **Post Remedy Mining and Alterations to Site.** Any additional costs associated with operations and maintenance at the Site necessitated by accommodating any future mining operations after long-term operations and maintenance has transferred from ARC to NDEP will not be the responsibility of ARC, and NDEP agrees that it will not seek

to enforce payment of or recover any such costs from ARC.

VI. TERMINATION, CONDITIONS PRECEDENT, AND RESERVATIONS

ARC's willingness to accept the performance and funding obligations set forth in this Framework for Agreement, and any associated commitments or obligations, are expressly conditioned upon the complete satisfaction of all terms set forth herein, including, without limitation: (1) final execution of a deferral agreement between EPA and NDEP that effectuates the purposes herein and facilitates NDEP lead oversight for the Site in a manner consistent with the elements of this Framework for Agreement; (2) EPA terminating the existing administrative orders that require ARC to perform response actions at the Site upon the effective date of the Interim Consent Order described in Paragraph III.a, above, (3) NDEP approval of a final remedial action that is consistent with the elements of this Agreement; and (4) availability of a critical amount of on-site material and on-site repository capacity at reasonable or no cost. In the event of a failure of any term herein or the frustration of purpose of this Framework for Agreement, until an Interim Consent Order is fully executed, ARC shall retain the right to withdraw from and terminate this Framework for Agreement and further settlement negotiations without prejudice. By providing this Framework for Agreement, ARC does not admit any liability. ARC reserves and does not waive all claims, rights, remedies, and defenses that may be available to it under any applicable statutes and regulations, at common law, or in equity arising out of or in connection with conditions at or related to the Site. A final, binding agreement (e.g. Interim Consent Order) entered into pursuant to the terms set forth in this Framework for Agreement will be subject to final approval by (i) the authorized State agency representatives, and (ii) ARC senior management.

For, Atlantic Richfield Company


Patricia Gallery
Vice-President

Date: 31 OCTOBER 2016

For, the Nevada Division of Environmental Protection

Date: _____